

THE OPEN UNIVERSITY OF SRI LANKA  
 FACULTY OF MANAGEMENT STUDIES  
 ADVANCED CERTIFICATE IN ENTREPRENEURSHIP AND SMALL  
 BUSINESS MANAGEMENT (ESBM)  
 FINAL EXAMINATION – 2025  
 OSC2405 - OPERATIONS MANAGEMENT FOR ENTREPRENEURS  
 DURATION – TWO (02) HOURS



DATE: 31<sup>st</sup> May 2025

TIME: 9:30 AM – 11:30 AM

**INSTRUCTIONS:**

- Answer **only five (05) questions**.
- Illegible handwriting will be penalized.
- This question paper has six (06) questions in three (03) pages.

**Question 01**

Samadhi runs a small business where she prepares customized birthday cakes according to individual customer orders. Each cake is specially designed based on the customer's preferences.

- Using this scenario, explain the key components of the production system involved in her cake-making process. (10 Marks)
- Samadhi also plans to expand her business by offering services through planning and managing parties and events alongside customized cakes and other eatables. Based on the given scenario, highlight the characteristics between goods and services. Use Samadhi's business features as an example. (10 Marks)

**(Total 20 Marks)**

**Question 02**

- Many small and medium enterprises (SMEs) operate without a clear production plan, often facing issues such as delays, resource wastage, and customer dissatisfaction. Using the above context, explain the importance of production planning in ensuring the smooth functioning of an organization. (10 Marks)
- Explain the importance of inventory control to a fast-moving consumer goods (FMCG) organization with suitable examples. (10 Marks)

**(Total 20 Marks)**

**Question 03**

Iiruni is a small business owner who wants to introduce a new line of eco-friendly shopping bags. She is trying to understand the consumer demand for this product before investing.

(a) As a production manager, explain the steps she should follow to identify consumer demand and select the right product. (10 marks)

(b) Propose a simple marketing plan she can use for the eco-friendly shopping bags. (10 marks)

**(Total 20 Marks)**

**Question 04**

Janitha is a local manufacturer who plans to set up a small factory to produce bottled fruit juice. He is currently in the process of selecting a suitable site and designing the internal layout.

(a) Analyze the key factors he should consider when selecting the site to setup his new fruit juice factory. (10 marks)

(b) Differentiate between a “product layout” and a “process layout”. Recommend a suitable layout for the fruit juice factory with reasons. (10 marks)

**(Total 20 Marks)**

**Question 05**

A food production company that prepares frozen ready-to-eat meals has been facing problems with inconsistent product quality and frequent delays in order fulfillment.

(a) Propose how production control systems can be introduced in the company to improve efficiency and meet customer expectations. (10 marks)

(b) Explain the importance of quality control in frozen food production and suggest practical measures to ensure consistent product quality for frozen ready to eat meals. (10 marks)

**(Total 20 Marks)**

**Question 06**

Write short notes on below topics.

- (a) Explain the concept of "tooling up" and discuss why it may be needed, using relevant examples. (05 Marks)
  - (b) Explain the importance of having a good plant layout and how it can contribute to the overall efficiency of the organization. (05 Marks)
  - (c) Work-study and importance of using work study at manufacturing/ service organizations. (05 Marks)
  - (d) Economic Order Quantity (EOQ) and it's importance in inventory management. (05 Marks)
- (Total 20 Marks)**

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